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ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
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August 6, 2009

Re: Proposed Treatment of Line Extension Policy in APS Rate Case. Docket No. E-01345A-08-0172.

Dear Colleagues and Parties:

You must all be aware that I have been a strong proponent of the policy of growth supporting growth for electric public service corporations' line extensions. As a result, I have advocated the elimination of "free footage" tariffs for electric companies. The Commission's recent decisions in electric public service company rate cases have put the policy into effect and have eliminated "free footage" provisions and tariffs.

Although I have not reached any conclusions in this docket, I continue to believe in general that not including free footage for electricity company line extensions is an appropriate Commission policy and in the public interest. However, after review of the prefiled testimony, it appears that issues related to the exclusion of "free footage" have the potential to overshadow other important issues raised in this matter. In light of this potential problem, I believe it would be helpful at the procedural conference currently set for August 13, 2009, to include a discussion on how this case should proceed to ensure full consideration of all significant issues.

My suggestion for discussion combines the Commissioners' recently expressed interest in holding a workshop concerning line extension policies for electric services within the context of the related issues presented in this docket. Rather than hold a generic workshop during the pendency of the case, it may be better to set aside one day during the course of these proceedings for public comment and evidence on "free footage" issues. This would avoid any potential due process issues that a generic workshop might present if participants' and the public address comments to the APS free footage issues raised in this docket.

I look forward to discussing this suggestion and any other alternatives related to the APS issues and a future generic line extension workshop at the August 13, 2009 procedural conference.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Mayes", is written over a horizontal line.

Kris Mayes
Chairman

August 6, 2009

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Cc: Commissioner Gary Pierce
Commissioner Sandra Kennedy
Commissioner Bob Stump
Commissioner Paul Newman
Steve Olea
Ernest Johnson
Janice Alward
Rebecca Wilder